

Lumber Assessment Review, 2014

Governor's Budget

CAL FIRE	2012-13	2013-14	2014-15
3212 Timber Regulations and Forest Restoration Fund	5,908	13,393	14,227
DFW			
3212 Timber Regulation and Forest Restoration Fund	1,094	6,261	5,545
Conservation			
3212 Timber Regulation and Forest Restoration Fund	1,044	2,982	3,116
Agency			
3212 Timber Regulation and Forest Restoration Fund	23	217	280
State Water Board			
3212 Timber Regulation and Forest Restoration Fund	428	2,525	2,557
BOE			
3212 Timber Regulation and Forest Restoration Fund	1,115	2,378	2,209
Totals	9,612	27,756	27,934
Net Revenue 2013 Calendar Year	\$31,494,430		

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PRC CODES

[4629.5](#).(a) (1) On and after January 1, 2013, there is hereby imposed an assessment on a person who purchases a lumber product or an engineered wood product for the storage, use, or other consumption in this state, at the rate of 1 percent of the sales price.

(2) A retailer shall charge the person the amount of the assessment as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the purchaser.

(3) The retailer shall collect the assessment from the person at the time of sale, and may retain an amount equal to the amount of reimbursement, as determined by the State Board of Equalization pursuant to regulations, for any costs associated with the collection of the assessment, to be taken on the first return or next consecutive returns until the entire reimbursement amount is retained. For purposes of this paragraph, the State Board of Equalization may adopt emergency regulations pursuant to Section 11346.1 of the Government Code. The adoption of any regulation pursuant to this paragraph shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, and general welfare.

(b) The retailer shall separately state the amount of the assessment imposed under this section on the sales receipt given by the retailer to the person at the time of sale.

(c) The State Board of Equalization shall administer and collect the assessment imposed by this section pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) with those changes as may be necessary to conform to the provisions of this article. For purposes of this section, the references in the Fee Collection Procedures Law to "fee" shall include the assessment imposed by this section.

(d) (1) The assessment is required to be collected by a retailer and any amount unreturned to the person who paid an amount in excess of the assessment, but was collected from the person under the representation by the retailer that it was owed as an assessment, constitutes debts owed by the retailer to this state.

(2) Every person who purchases a lumber product or an engineered wood product for storage, use, or other consumption in this state is liable for the assessment until it has been paid to this state, except that payment to a retailer relieves the person from further liability for the assessment. Any assessment collected from a person that has not been remitted to the State Board of Equalization shall be a debt owed to the state by the retailer required to collect and remit the assessment. Nothing in this part shall impose any obligation upon a retailer to take any legal action to enforce the collection of the assessment imposed by this section.

(e) Except as provided in paragraph (3) of subdivision (a), the State Board of Equalization may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this section, including, but not limited to, collections, reporting, refunds, and appeals.

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(f) (1) The assessment imposed by this section is due and payable to the State Board of Equalization quarterly on or before the last day of the month next succeeding each quarterly period.

(2) On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the State Board of Equalization using electronic media, in the form prescribed by the State Board of Equalization. Returns shall be authenticated in a form or pursuant to methods, as prescribed by the State Board of Equalization.

(g) For purposes of this section, all of the following shall apply:

(1) "Purchase" has the same meaning as that term is defined in Section 6010 of the Revenue and Taxation Code.

(2) "Retailer" has the same meaning as that term is defined in Section 6015 of the Revenue and Taxation Code.

(3) "Sales price" has the same meaning as that term is defined in Section 6011 of the Revenue and Taxation Code.

(4) "Storage" has the same meaning as that term is defined in Section 6008 of the Revenue and Taxation Code.

(5) "Use" has the same meaning as that term is defined in Section 6009 of the Revenue and Taxation Code.

(h) (1) Every person required to pay the assessment imposed under this article shall register with the State Board of Equalization. Every application for registration shall be made in a form prescribed by the State Board of Equalization and shall set forth the name under which the applicant transacts or intends to transact business, the location of his or her place or places of business, and such other information as the State Board of Equalization may require. An application for registration shall be authenticated in a form or pursuant to methods as may be prescribed by the State Board of Equalization.

(2) An application for registration filed pursuant to this section may be filed using electronic media as prescribed by the State Board of Equalization.

(3) Electronic media includes, but is not limited to, computer modem, magnetic media, optical disc, facsimile machine, or telephone.

(Amended by Stats. 2013, Ch. 76, Sec. 170. Effective January 1, 2014.)

4629.6. Moneys deposited in the fund shall, upon appropriation by the Legislature, only be expended for the following purposes:

(a) To reimburse the State Board of Equalization for its administrative costs associated with the administration, collection, audit, and issuance of refunds related to the lumber products and engineered wood assessment established pursuant to Section 4629.5.

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(b) To pay refunds issued pursuant to Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code.

(c) To support the activities and costs of the department, the Department of Conservation, the Department of Fish and Game, the State Water Resources Control Board, and regional water quality control boards associated with the review of projects or permits necessary to conduct timber operations. On or after July 1, 2013, except for fees applicable for fire prevention or protection within state responsibility area classified lands or timber yield assessments, no currently authorized or required fees shall be charged by the agencies listed in this subdivision for activities or costs associated with the review of a project, inspection and oversight of projects, and permits necessary to conduct timber operations of those departments and boards.

(d) For transfer to the department's Forest Improvement Program, upon appropriation by the Legislature, for forest resources improvement grants and projects administered by the department pursuant to Chapter 1 (commencing with Section 4790) and Chapter 2 (commencing with Section 4799.06) of Part 2 of Division 4.

(e) To fund existing restoration grant programs.

(f) To the department, upon appropriation by the Legislature, for fuel treatment grants and projects pursuant to authorities under the Wildland Fire Protection and Resources Management Act of 1978 (Article 1 (commencing with Section 4461) of Chapter 7 of Part 2 of Division 4).

(g) To the department, upon appropriation by the Legislature, to provide grants to local agencies responsible for fire protection, qualified nonprofits, recognized tribes, local and state governments, and resources conservation districts, undertaken on a state responsibility area (SRA) or on wildlands not in an SRA that pose a threat to the SRA, to reduce the costs of wildland fire suppression, reduce greenhouse gas emissions, promote adaptation of forested landscapes to changing climate, improve forest health, and protect homes and communities.

(Added by Stats. 2012, Ch. 289, Sec. 3. Effective September 11, 2012.)

4629.7.

All grants made pursuant to subdivisions (f) and (g) of Section 4629.6 shall fund activities that do any of the following, in order of priority:

(a) Improve forest health.

(b) Promote climate mitigation strategies included in the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) scoping plan for the forest sector, as adopted by the State Air Resources Control Board, or as amended through subsequent actions of that board.

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(c) Promote climate change adaptation strategies for the forest sector, as adopted by the Natural Resources Agency in the California Climate Adaptation Strategy.

(Added by Stats. 2012, Ch. 289, Sec. 3. Effective September 11, 2012.)

4629.8.

(a) Funds deposited in the Timber Regulation and Forest Restoration Fund shall be appropriated in accordance with the following priorities:

(1) First priority shall be for funding associated with the administration and delivery of responsibilities identified in subdivisions (a) to (c), inclusive, of Section 4629.6.

(2) Only after paragraph (1) is funded, the second priority shall be, if deposits are sufficient in future years to maintain the fund, by 2016, at a minimum reserve of four million dollars (\$4,000,000), for use and appropriation by the Legislature in years during which revenues to the account are projected to fall short of the ongoing budget allocations for support of the activities identified in paragraph (1).

(3) Only after paragraphs (1) and (2) are funded, the third priority shall be in support of activities designated in subdivisions (d) and (e) of Section 4629.6.

(4) Only after paragraphs (1), (2), and (3) are funded, the fourth priority shall be to support the activities designated in subdivisions (f) and (g) of Section 4629.6.

(b) No funds shall be used to pay for or reimburse any requirements, including mitigation of a project proponent or applicant, as a condition of any permit.

(Added by Stats. 2012, Ch. 289, Sec. 3. Effective September 11, 2012.)

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Board Regulations , Title 14

14 CA ADC § 1667.1

Chapter 14. Lumber Products Assessment

§ 1667.1. Authority.

This chapter sets out procedures for identifying those products subject to the “Lumber Products Assessment” imposed pursuant to Public Resources Code Section 4629.5 as required by Chapter 289, Statutes 2012. The lumber products and engineered wood products identified herein shall become subject to the Assessment commencing January 1, 2013.

§ 1667.2. Timber Regulation and Forest Restoration Fund.

All revenues received from the Lumber Products Assessment, less amounts deducted for refunds and reimbursements, shall be deposited in the “Timber Regulation and Forest Restoration Fund” created in the State Treasury pursuant to Public Resources Code Section 4629.3.

§ 1667.3. Definitions.

Board means the California Board of Forestry and Fire Protection.

Engineered Wood Product means wood composite products including inorganic-bonded and wood thermoplastic composites. It includes a range of derivative wood products which are manufactured by binding lumber or the strands, particles, fibers, or veneers of wood, together with adhesives, to form composite materials, in which wood is a principal component part as defined.

Fund means the Timber Regulation and Forest Restoration Fund.

Lumber Product means a product in which wood or wood fiber is a principal component part, including, but not limited to, a solid wood product, or an engineered wood product that is identified in these regulations. “Lumber Product” does not include furniture, paper products, indoor flooring products such as hardwood or laminated flooring, bark or cork products, firewood, or other products not typically regarded as lumber products.

Principal Component Part means at least ten percent (10%) of the total content by volume.

§ 1667.4. Assessed Lumber Products.

(a) Lumber products subject to the Lumber Products Assessment pursuant to Public Resources Code Section 4629.5 include the following products in which wood or wood fiber is a “principal component part” as defined:

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(1) Solid wood products: All grades and dimensions of lumber, structural panels, cross-laminated timbers, decking, railings, fencing (poles, solid board), poles, roofing (shakes and wooden shingles), siding (beveled shingles, board and batten, log, tongue and groove, treated wood), lath, and sub-flooring.

(2) Engineered Wood Products: plywood, oriented strandboard, particleboard, fiberboard, glued-laminated timber, laminated veneer lumber, laminated strand lumber, oriented strand lumber, parallel strand lumber, hardboard, waferboard, flakeboard, veneer-based sheeting material, laminated beams, I-joists, and edge-glued material.

(3) Inorganic-bonded and wood thermoplastic composites: Gypsum-bonded composite materials (fiber reinforced gypsum), cement-bonded composite materials, ceramic bonded composite materials, and wood thermoplastic composite materials including plastic lumber and decking.

(b) Products not subject to the Lumber Products Assessment include but are not limited to, furniture, paper products, indoor finished flooring products such as hardwood (solid or engineered) or laminate flooring, decorative products such as wainscoting, paneling, shutters, and blinds, bark or cork products, firewood, musical instruments, sporting goods and equipment, carvings and craft products, cooperage and treatment materials (including staves, storage vessels, and oak chips for wine, beer, and spirits), signs, tools, tool handles, stakes, ladders, brooms, frames, kitchenware, windows, doors, cabinets, molding, millwork (window casings, baseboards), lattice, pre-constructed railing sections, trusses, pre-fabrication housing (pre-cut buildings, pre-cut or fabricated components of buildings), and pre-constructed fencing sections.

(c) The number and types of lumber products subject to the lumber products assessment may be modified following annual review by the Board of Forestry and Fire Protection.

§ 1667.5. Requests for Review.

(a) The California Board of Equalization may petition the Executive Officer of the Board of Forestry and Fire Protection for review of a lumber product.

(1) The petition shall be sent to the Board's mailing address and shall include information that provides the specific basis upon which the petition is founded. The petition must provide the basis that a lumber product may or may not meet the criteria established by Public Resources Code Section 4629.3 and specified herein.

(2) After receipt of a petition, the Board's Executive Officer may request additional information from the California Board of Equalization prior to conducting the review.

(3) The Board's Executive Officer shall complete the review of the petition within thirty (30) days of its receipt or the receipt of additional information requested pursuant to item (2) above. All petitions received in a calendar year shall additionally be subject to review by the Board during its annual update of the regulations specified herein.

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(4) Based on a review of the petition, the Board's Executive Officer shall determine whether or not the lumber product that is the subject of the petition meets the criteria specified herein. Upon a finding by the Board's Executive Officer that the lumber product does not meet the criteria, the Executive Officer may recommend that the Board remove the product from the assessed lumber products identified herein.

§ 1667.6. Annual Update of Regulation.

Pursuant to Public Resources Code Section 4629.4, the Board shall annually update the regulations contained herein. The Board shall conduct the review at its regularly scheduled April meeting. The lumber products identified in the annually updated regulation adopted by the Board shall become subject to the assessment imposed pursuant to Section 4629.5 on the first day of the calendar quarter commencing more than sixty (60) days after adoption of the updated regulation.